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Russian Federation

Livestock and Products Annual

2013 Livestock and Products Annual Report

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Report Highlights:
FAS/Moscow forecasts Russia's imports of cattle to decrease by approximately 15 percent in 2014 because of increasing debt carried by livestock importers and delays in related subsidy payments. FAS/Moscow also forecasts a decrease in domestic beef production next year given the anticipated rate of slaughter in 2013 and the resulting decrease in beginning cattle inventories. Total 2014 live swine imports are forecast to fall by 17 percent in 2014 as a result of increased domestic production and trade restrictions due to disease outbreaks in Europe. Russian pork production is forecast to increase by five percent in 2014 which, in turn, is anticipated to lead to a five percent decrease in imports.

Executive Summary:

Cattle and Beef

FAS/Moscow forecasts 2014 year-end cattle inventories to decrease slightly (to 18.935 million head) as Russian dairies are expected to continue to slaughter less productive cattle which are aging out, and, in certain circumstances, slaughter younger, less productive cattle to be replaced by imported and/or domestically produced breeding animals capable of producing greater yields. Because 2013 year-end inventories are marginally decreased as slaughter rates are estimated to increase by nearly four percent over the course of the year, FAS/Moscow forecasts a corresponding decrease in domestic beef production in 2014 (down less than two percent to 1.38 MMT).

FAS/Moscow forecasts Russia's imports of cattle to decrease by approximately 15 percent in 2014 (to 110,000 head) because of increasing debts being carried by Russian livestock importers and delays in related subsidy payments. Moreover, 2014 beef imports are forecast to increase slightly over 2013 levels (by two percent to 1.02 MMT) as importers are expected to make better use of available TRQ volumes and as neighboring CIS countries (e.g., Belarus), who are able to export beef to Russia duty-free, attempt to compensate for decreased domestic production. Consumption is expected to remain relatively flat (16.7 kg per capita) due to decreasing domestic production.

Table 1. Russia: Cattle Numbers, 1,000 Head Animal Numbers, Cattle

Animal Numbers, Cattle Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	19,695	19,695	19,458	19,508		19,210
Dairy Cows Beg. Stocks	8,678	8,678	8,500	8,540		8,380
Beef Cows Beg. Stocks	310	310	390	390		450
Production (Calf Crop)	6,900	6,950	6,950	6,900		6,820
Total Imports	138	138	140	130		110
Total Supply	26,733	26,783	26,548	26,538		26,140
Total Exports	6	6	5	7		7
Other Slaughter	6,840	6,840	6,850	6,890		6,770
Total Slaughter	6,840	6,840	6,850	6,890		6,770
Loss	429	429	430	431		428
Ending Inventories	19,458	19,508	19,263	19,210		18,935
Total Distribution	26,733	26,783	26,548	26,538		26,140

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonlineonline

Table 2. Russia: Beef and Veal Production, Supply & Distribution, 1,000 MT CWE

Meat, Beef and Veal Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	6,840	6,840	6,850	6,890		6,770
Production	1,380	1,380	1,390	1,400		1,380
Total Imports	1,023	1,023	1,035	1,000		1,020
Total Supply	2,403	2,403	2,425	2,400		2,400
Total Exports	8	8	9	8		8
Human Dom. Consumption	2,395	2,395	2,416	2,392		2,392
Total Dom. Consumption	2,395	2,395	2,416	2,392		2,392
Total Distribution	2,403	2,403	2,425	2,400		2,400

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonlineonline

Swine and Pork

FAS/Moscow forecasts 2014 year-end swine inventories to grow by nearly seven percent (to 21.5 million head) and domestic pork production to increase by five percent (to 2.3 MMT) due to the increased availability of affordable feed during the latter half of 2013, and production support measures outlined in the State program for “Pork Production Development in 2013-2015” (hereinafter referred to as the 2013-2015 Pork Program). Increasing domestic pork production is expected to lead to further consumption increases in 2014 (i.e., to 23.1 kilograms per capita from 22.7 kilograms per capita in 2013).

FAS/Moscow forecasts 2014 swine imports to decrease by 17 percent (to 120,000 head) due to increased domestic production and continuing live swine import restrictions instituted by the Russian Veterinary Service because of disease outbreaks in Europe (e.g., Schmallenberg virus in the European Union and African Swine Fever in Belarus). Overall 2014 pork imports are also forecast to decrease (by approximately five percent to 1 MMT) as a result of anticipated growth in domestic production and TRQ limitations on the volume of imports.

Table 3. Russia: Swine Numbers, 1,000 Head

Animal Numbers, Swine Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	17,258	17,258	18,793	18,793		20,050
Sow Beginning Stocks	2,150	2,150	2,250	2,250		2,300
Production (Pig Crop)	33,300	33,300	34,500	34,500		36,200
Total Imports	334	334	250	140		120
Total Supply	50,892	50,892	53,543	53,433		56,370
Other Slaughter	30,299	30,299	31,500	31,533		33,000
Total Slaughter	30,299	30,299	31,500	31,533		33,000
Loss	1,800	1,800	1,850	1,850		1,890
Ending Inventories	18,793	18,793	20,193	20,050		21,480
Total Distribution	50,892	50,892	53,543	53,433		56,370

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonlineonline

Table 4. Russia: Pork Production, Supply & Distribution (1,000 MT CWE)

Meat, Swine Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	30,299	30,299	31,500	31,533		33,000
Production	2,075	2,075	2,150	2,190		2,300
Total Imports	1,070	1,070	1,080	1,050		1,000
Total Supply	3,145	3,145	3,230	3,240		3,300
Human Dom. Consumption	3,145	3,145	3,230	3,240		3,300
Total Dom. Consumption	3,145	3,145	3,230	3,240		3,300
Total Distribution	3,145	3,145	3,230	3,240		3,300

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonlineonline

Production:

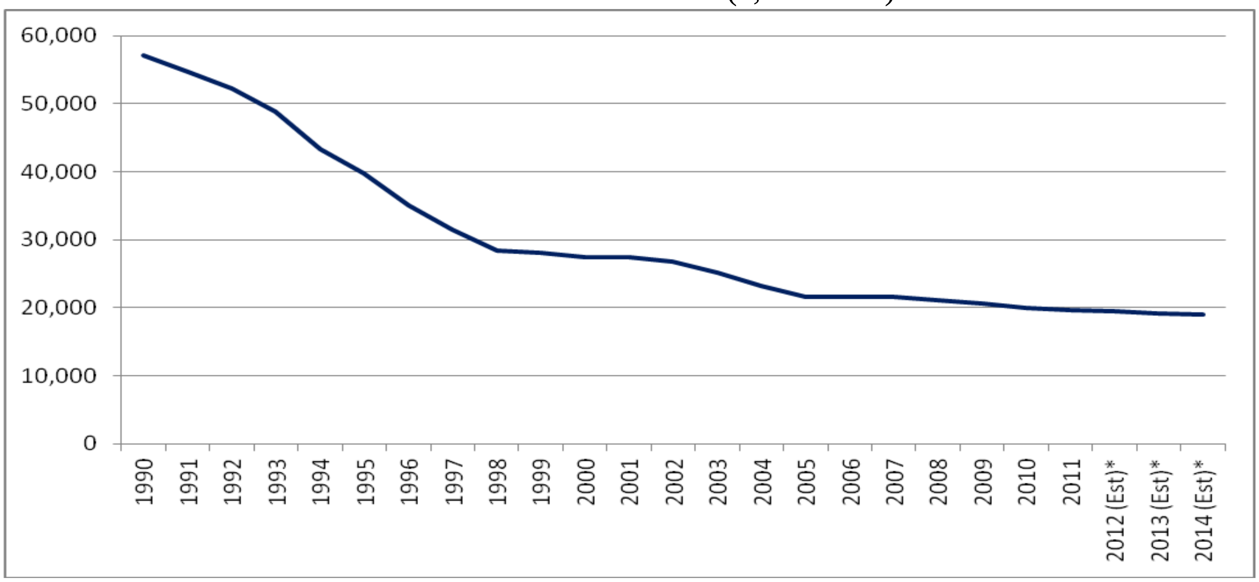
Cattle and Beef

FAS/Moscow forecasts 2014 year-end cattle inventories to decrease slightly (to 18.935 million head) as Russian dairies are expected to continue to slaughter less productive cattle which are aging out, and, in certain circumstances, slaughter younger, less productive cattle to be replaced by imported and/or domestically produced breeding animals capable of producing greater yields.

In addition to burgeoning imports over the last several years, domestic pedigree cattle breeders increased sales of breeding heifers to agricultural establishments (selling 266,000 between 2008 and 2012) and reportedly increasing the percentage of pedigree cattle at these establishments from eight percent in 2008 to 13 percent in 2012. Despite the increase in the local production of high quality cattle, domestic production still cannot satisfy the growing demand to replace lesser quality animals.

FAS/Moscow has slightly increased the estimate for 2013 beginning cattle inventories based on the Russian Ministry of Agriculture's publication of final 2012 calf production statistics which were slightly higher than previously anticipated. However, 2013 year-end inventories are marginally decreased as slaughter rates are now estimated to increase by nearly four percent over 2012 levels due to the impact of the high price of feed on producers early in the year. The small increase in estimated slaughter in 2013 has led FAS/Moscow to comparably increase domestic beef production during the same period.

Chart 1. Historical Russian Year-End Cattle Inventories (1,000 Head)



* Unofficial Post Estimated Year-End Inventory

Source for Remaining Data: Foreign Agricultural Service, Official USDA Estimates

Because of the increased rate of slaughter in 2013, which is anticipated to result in a small decrease in year-end inventories, FAS/Moscow forecasts a corresponding decrease in domestic beef production in 2014 (down less than two percent to 1.38 MMT). Nevertheless, the Russian Federal and regional governments continue to offer a series of support programs meant to stimulate Russian livestock development over the next seven years which will reportedly be funded at hundreds of billions of Russian rubles (almost $10 billion). Monies have been earmarked for the construction of new farms and the modernization of existing facilities, as well as the purchase of domestic and imported high quality breeding dairy and beef cattle, semen and embryos. For additional information on the ongoing livestock support programs, see, e.g., RS1323 and RS1335.

The largest producers of Russian beef in 2012 were: the "Klinskiy" meat processing establishment (Moscow region), which accounted for slightly more than three percent of total Russian beef production, "Penzenskiy" meat processing establishment (Penza region) - 2.8 percent, and "Ulyanovskiy" meat processing establishment (Ulyanovsk region) - 2.4 percent.

The National Union of Beef Producers (NUBP) reports that Russian meat produced from beef cattle breeds has grown over the last several years, from two percent of Russian production in 2008 to 10 percent in 2012. However, the Russian Ministry of Agriculture states that Russian beef produced from beef cattle only accounted for four percent of production in 2012. Nevertheless, the State Program for the Development of Agriculture and the Regulation of Agricultural Commodity Markets for 2013-2020, discussed in greater detail in RS1335, has an objective of beef cattle breeds accounting for 23 percent of Russian beef production by 2020.

Swine and Pork

Total 2014 year-end swine inventories are forecast to grow by nearly seven percent due to the increased availability of feed supplies during the latter half of 2013 as a result of increased grain production in 2013 (see, e.g., RS1347), and production support measures outlined in the 2013-2015 Pork Program funded at RUR 222.1 billion ($6.85 billion). Annual financing for the program will increase from RUR 68 billion ($2.1 billion) in 2013, to RUR 75 billion ($2.31 billion) in 2014, and to RUR 79 billion ($2.44 billion) in 2015. The 2013-2015 Pork Program envisages an increase in the number of pigs in all farm categories (i.e., at agricultural establishments, private farms, and backyard farms), from 17.9 million head in 2012 to 19.6 million head in 2015. In addition, the 2013-2015 Pork Program's goal is to increase production of pigs from 3.3 million tons (live weight) in 2012 to 3.6 million tons in 2015 (for slaughter at all farm categories).

The primary activity of the 2013-2015 Pork Program is to improve the macroeconomic conditions for pig production through financial support under the framework of World Trade Organization (WTO) requirements in the following areas:

- subsidizing interest rates on investment loans and leasing operations for the reconstruction and construction of new pig production, slaughtering, meat processing and feed production facilities;
- subsidizing brood stock for pig breeding, genetic and hybrid centers. The Ural, Siberian and Far East regions are priority areas for the development of such centers. Leading genetic companies from the European Union, Canada and the United States should be used to accelerate the development of parental stock; and,
- development of measures of support falling under "green" and "amber" boxes in accordance with WTO rules.[1]

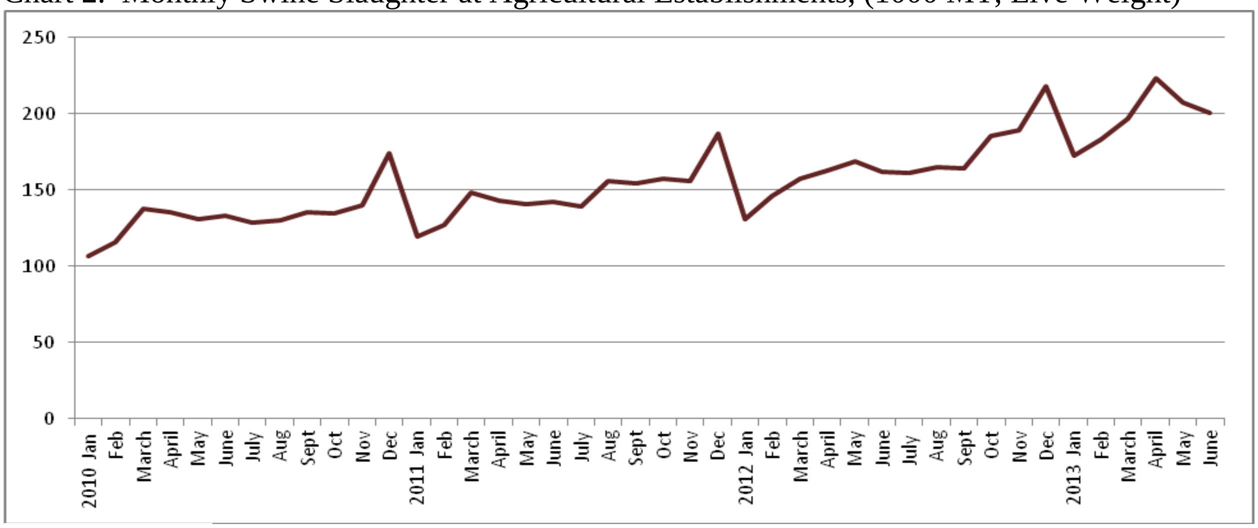
[1] In WTO terminology, subsidies are identified by "boxes" which are given the colors of traffic lights: green (permitted), amber (slow down — i.e., to be reduced), and red (i.e., forbidden). NOTE: The Agriculture Agreement has no red box (despite the prohibition of domestic support exceeding the reduction commitment levels in the amber box), but there is a blue box for subsidies that are tied to programs that limit production. For more information, see http://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm.

While revised slightly lower, FAS/Moscow estimates 2013 year-end swine inventories to be nearly seven percent higher than in 2012 due to a reduction in domestic feed prices as a result of an improved grain harvest, and continued State support for domestic swine producers. According to the State program for "Pork Production Development in 2009-2012" (hereinafter, the 2009-2012 Pork Program) the government provided support funds with a goal of increasing the domestic swine herd to 23.3 million head by 2012, compared to 16.2 million head in 2008. Despite the financial assistance provided over the four year period, Russia's swine inventory only totaled 18.8 million head at the end of 2012 due to record low levels of feed grains produced in 2010, and reduced feed grain production in 2012. As previously noted, however, inventories are expected to increase over the coming 18 months.

In addition to an increase in swine inventories, FAS/Moscow forecasts Russian pork production to increase by five percent in 2014 due to improved feed supplies resulting from increased grain production in 2013 and State support for producers, as previously noted.

FAS/Moscow has also slightly increased the 2013 pork production estimate (by nearly two percent) due to improvements in feed availability and governmental compensation for pork producers, distributed at the end of 2012 and during the first quarters of 2013, to lessen the impact that high feed prices were having on the cost of production. Swine slaughter at Russia's agricultural establishments increased by nearly 30 percent during the first half of 2013, compared to a 13 percent increase during the same period in 2012.

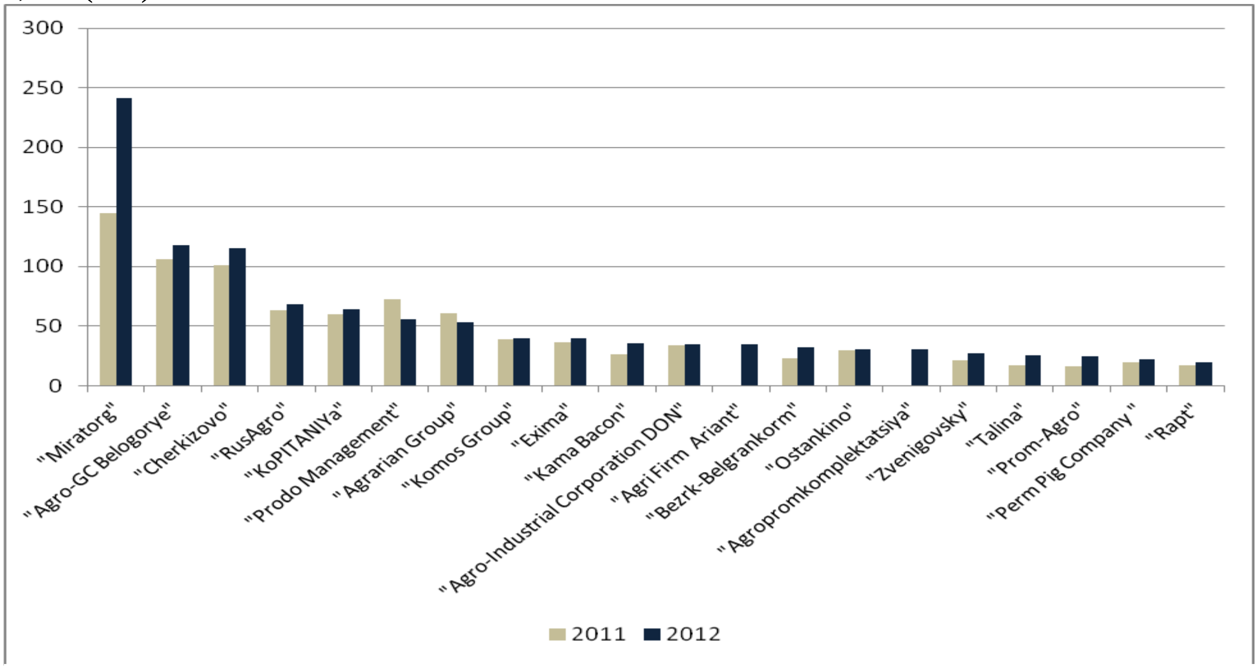
Chart 2. Monthly Swine Slaughter at Agricultural Establishments, (1000 MT, Live Weight)



Source: Rosstat

Despite increasing production, the Russian pork industry has complained that increased production costs (including high feed costs in 2012), a 35 percent reduction in farm gate prices for pigs, reduced import duties on live pigs, and a zero duty for in-quota pork have negatively impacted their financial strength. However, the Russian Ministry of Agriculture has stated that it believes the industry's challenges stem from undeveloped infrastructure, overproduction, and the under-processing of carcasses. The Ministry has estimated that if the entire industry adopted a production process which included the deep processing of carcasses, profitability could increase between 15 and 20 percent. In addition, vertically integrated agricultural establishments reportedly mitigated increases in the cost of production by becoming self sufficient in the production of feeds grains and/or feeding cheaper grains to their hogs (e.g., barley).

Chart 3. 20 Largest Russian Pork Producers in 2012 (Production for Slaughter, Live Weight Basis, 1,000 (MT)



Note: 2011 production data for "Agri Firm Ariant" and “Agropromkomplektatsiya" were not made available. Source: The National Union of Pork Producers, www.nssrf.ru

Consumption:

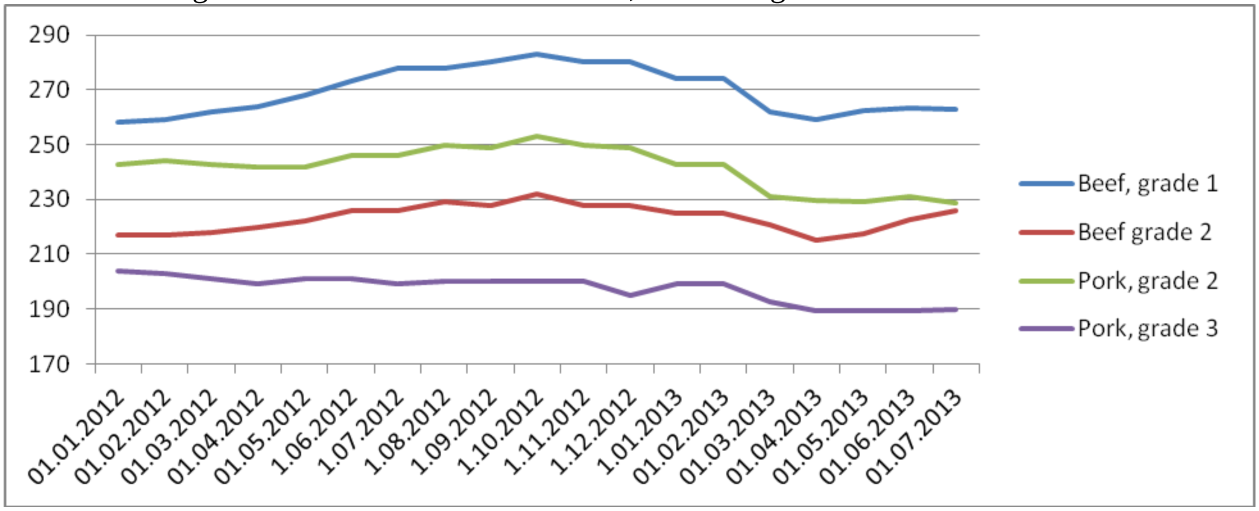
Beef

FAS/Moscow’s 2014 beef consumption forecast (16.7 kg per capita) is expected to remain relatively flat (when compared to 2013) due to decreasing domestic production. Beef imported under the TRQ system is expected to partially compensate for decreasing domestic production, but out of quota imports are subject to high import duties. The short beef supply in Russia has kept beef prices relatively high when compared to pork and poultry, and consumption is therefore more limited than for other meats.

Pork

Increasing Russian domestic pork production has led to increased per capita pork consumption, from 22 kilograms in 2012 to 22.7 kilograms in 2013. Consumption is expected to further increase to 23.1 kilograms per capita in 2014 as a result of continued increases in domestic production.

Chart 4. Average Retail Prices for Beef and Pork, RUR/kilogram



Source: Russian Ministry of Agriculture

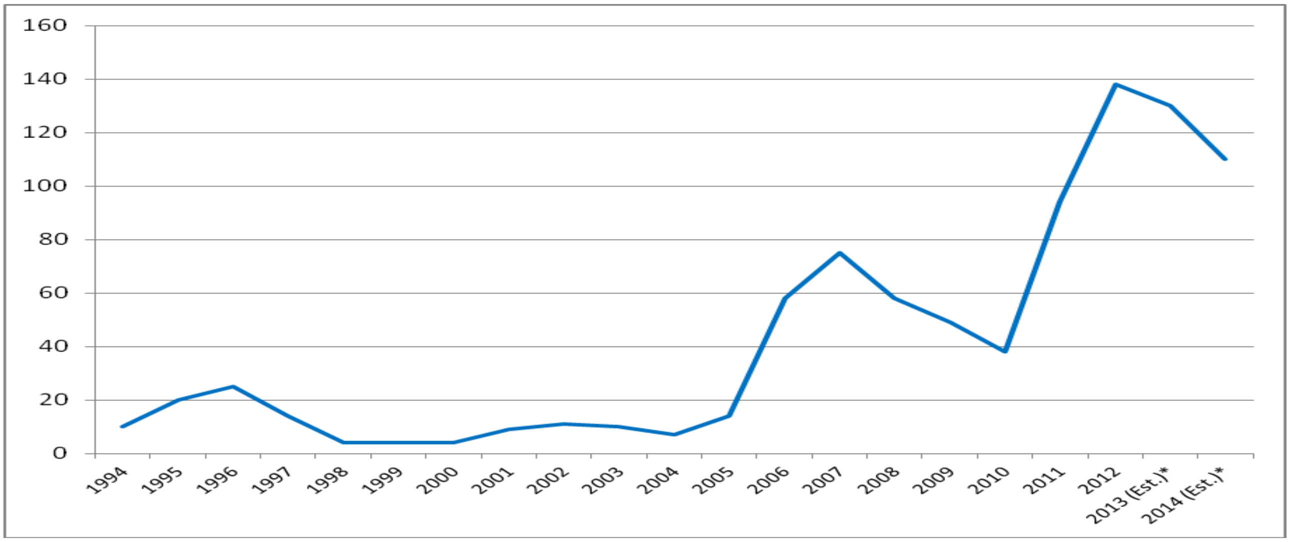
Russian retail prices for pork decreased significantly in March 2013 following a decline in feed prices in early 2013 and have remained relatively flat since. However, prices are forecasted to increase during the latter half of 2013 due to a 10 percent increase in the price of live pigs in the summer of 2013 (as a result of reduced swine and pork imports which pork processors believe may lead to a deficit in the market). Growth in domestic meat processing has outpaced growth in domestic livestock production and imports. According to Rosstat, the output of total processed meat and meat products produced at domestic processing facilities increased by eight percent in the first half of 2013, when compared to the same period last year (including a 30 percent increase in domestically produced fresh/chilled pork and an 18 percent increase in semi-processed meat and meat products).

Trade:

Cattle and Beef

FAS/Moscow forecasts 2014 Russian cattle imports to fall nearly 15 percent from 2013 levels due to increasing debt carried by farmers who previously took out loans for purchases. Russian media and the NUBP have reported delays in the payment of subsidies for cattle purchases. First, subsidy payments for August through December 2012 were reportedly delayed until the first two months of 2013, and then subsidy payments were delayed again in May 2013 because of an insufficient allocation of support funds as a result of greater than anticipated interest in cattle purchases.

Chart 5. Russian Imports of Live Cattle (1,000 Head)



* Unofficial Post Estimated Import Volume
Source: Foreign Agricultural Service, Official USDA Estimates

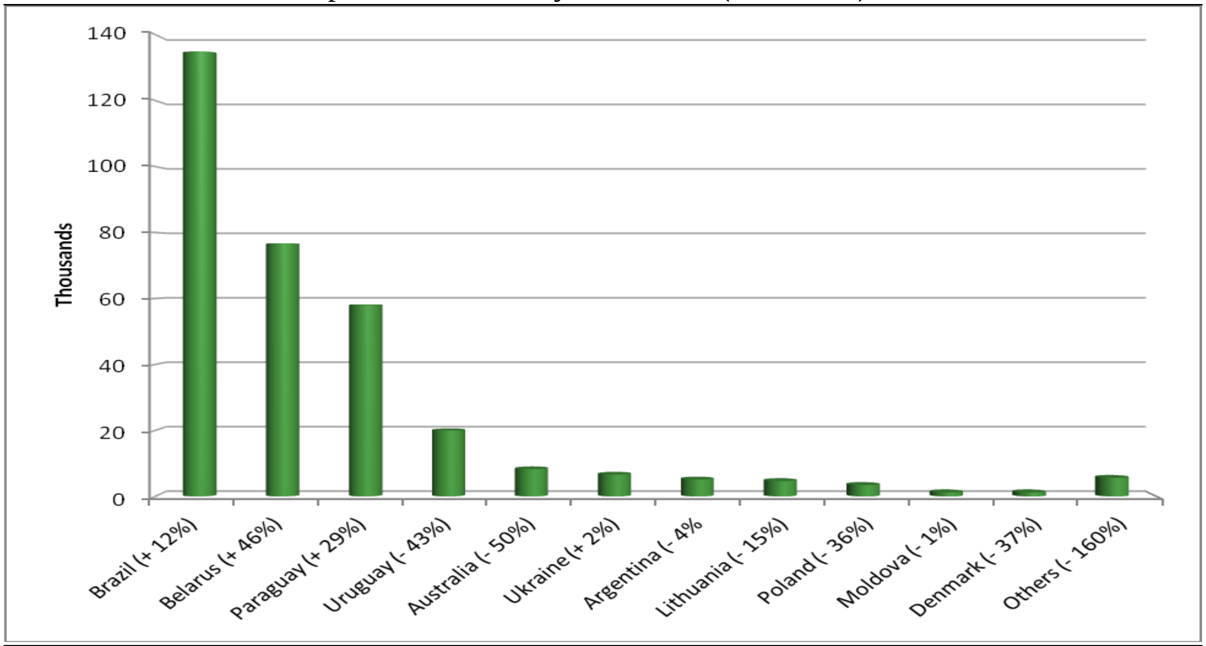
In June 2013, Sberbank publicly announced that it signed the Russian agricultural industry's first 15-year loan agreement (valued at RUB 1 billion - $31.3 million) with Miratorg, one of Russia's largest meat producers. Russian Government Order 1460, adopted at the end of 2012, allows for the repayment of interest on loans used to purchase cattle to be extended up to fifteen years (it was previously limited to eight years, with the possibility of a three year extension) for farms producing beef cattle.

Investors in the Russian cattle industry are now reportedly looking to amend Order 1460, to include a provision that would also allow banks to prolong the repayment terms for ongoing eight year investment projects to fifteen years. Despite this request to extend the repayment terms, some investors have reported that they are now on the verge of insolvency. According to Russian press, the shortfall on subsidy payments from the Ministry of Agriculture to the livestock industry as a whole in 2012 reached RUR 7.9 billion ($244 million), and total support for Russian agricultural development, including for improving conditions in the livestock industry, is forecast to reach RUR 25 billion ($771 million) by the end of 2013.

As noted above, the delay in subsidies for cattle importers has had a negative impact on trade in live animals. According to Global Trade Atlas, Russia decreased imports of live cattle to 48,674 head in the first half of 2013, 26 percent less than during the same period last year. Given the trade data, and reported financial challenges facing importers of cattle, FAS/Moscow has decreased its 2013 import estimate by seven percent.

FAS/Moscow forecasts 2014 beef imports to increase slightly over 2013 levels as importers are expected to make better use of available TRQ volumes and as neighboring CIS countries (e.g., Belarus), who are able to export beef to Russia duty-free, attempt to compensate for decreased domestic production. Despite the anticipated increase in imports in 2014, FAS/Moscow has reduced its import forecast for 2013 by approximately three percent because of trade restrictions placed on several foreign suppliers. According to Global Trade Atlas, Russia imported 249,268 MT of beef in the first half of 2013, 15 percent less than during the same period in 2012. Russia imported 230,967 MT of frozen beef and 18,112 MT of fresh/chilled beef. The largest exporters were Brazil – 134,900 MT, Belarus – 76,710 MT, Paraguay –58,052 MT, and Uruguay -19,953 MT.

Chart 6. Russian Beef Imports from January-June 2013 (1,000 MT)



Source: Global Trade Atlas

In February 2013, Russia instituted a ban on the importation of U.S. beef and associated products until such time as the United States provides guarantees that these products are ractopamine-free. Because of this measure, U.S. exports of beef totaled 41 MT during the first six months of 2013, down 99.8 percent from the previous year.

<u>Swine and Pork</u>

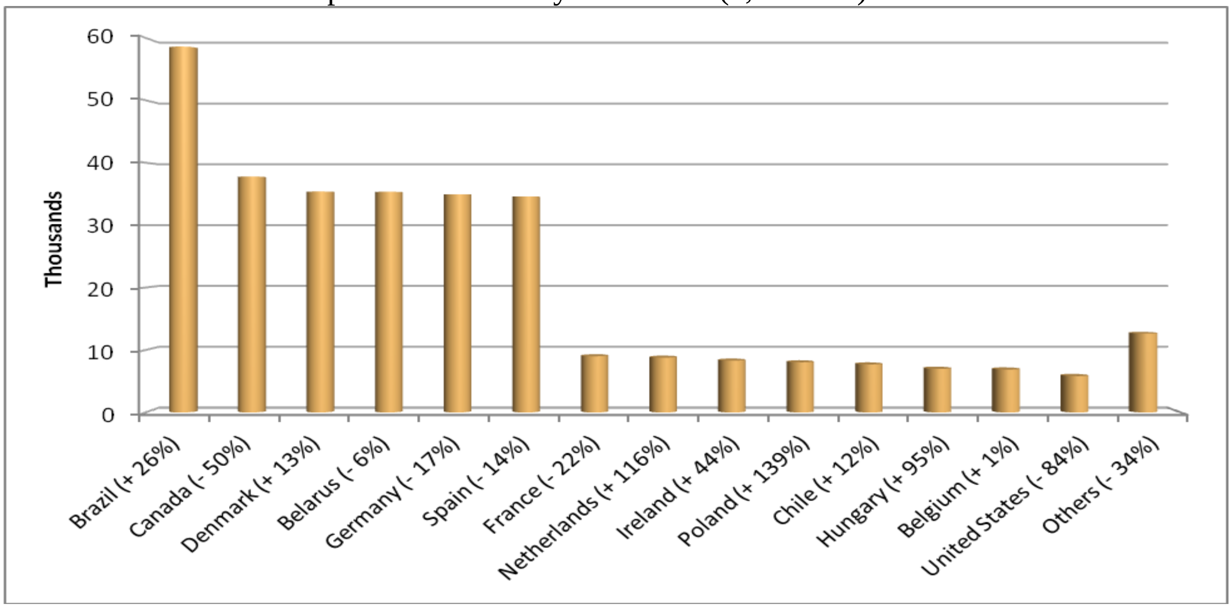
FAS/Moscow forecasts 2014 swine imports to decrease by 17 percent due to increased domestic production and continuing live swine import restrictions instituted by the Russian Veterinary Service because of disease outbreaks in Europe (e.g., Schmallenberg virus in the European Union and African Swine Fever in Belarus).

FAS/Moscow's swine import estimate for 2013 has been decreased by 44 percent due to the impact that the Russian veterinary service's prohibition on imports from the European Union has had during the first half of the year. Imports from January-June 2013 were 73 percent lower than they were during the same period in 2012, with trade from Estonia, Germany, Hungary, Ireland, Latvia, and the United Kingdom coming to a complete halt during the period. Exports from Belarus, which accounted for nearly 75 percent of live swine imported into Russia during the first half of 2013, were down eight percent.

FAS/Moscow forecasts 2014 pork imports to decrease by approximately five percent (to 1 MMT) as a result of anticipated increases in domestic production. FAS/Moscow has also decreased its 2013 pork import estimate by nearly three percent (to 1.05 MMT) due to trade restrictions imposed on several foreign suppliers.

Russian pork imports during the first six months of 2013 were down nearly 17 percent. Even though Russia eliminated a 25 tariff reduction on pork imports from developing countries in early 2013, Brazil (58594 MT, up 26 percent from the same period in 2012) overtook Canada as the largest exporter of pork to Russia during the first half of 2013. Other notable suppliers during this period were Canada (37,777 MT, down 50 percent), Denmark (35,381 MT, up 13 percent) and Belarus (35,343, down 6 percent).

Chart 7. Russian Pork Imports from January-June 2013 (1,000 MT)



Source: Global Trade Atlas

In February 2013, Russia instituted a ban on the importation of U.S. pork and associated products until such time as the United States provides guarantees that these products are ractopamine-free. Because of this measure, U.S. exports of pork totaled 5,828 MT during the first six months of 2013, down 84 percent from the previous year.

Policy:

Russian Government Intent to Discuss Reallocation of Tariff Rate Quotas Volumes

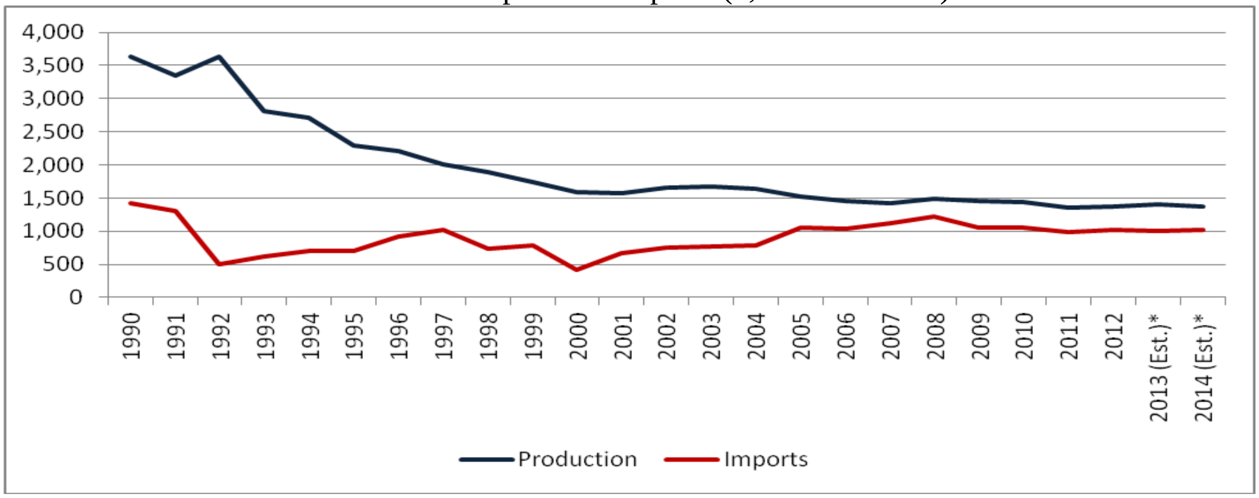
In July 2013, the Russian Ministry of Economic Development issued a press release in which it signaled its intention to contact the governments of the United States, Costa Rica, and the European Union about the possible re-allocation of country-specific TRQ volumes because of the under utilization of their respective allocations.

Other Reports Of Potential Interest

RS1354 – Draft Law on Detailed Country of Origin Labeling of Meat Products
RS1343 – Customs Union Food Technical Regulations in Force as of 1 July 2013
RS1323 - Russian Government Discusses Additional Support for Meat and Dairy
RS1335 - Russian Government Continues to Support Cattle Sector
RS1316 – 2013 Livestock Semi-Annual Report
RS1314 – Federal Agricultural Budget in 2013
RS1270 – Agriculture Development Program 2013-2020

Production Charts and Tables

Chart 8. Russian Beef Production Compared to Imports (1,000 MT CWE)



* Unofficial Post Estimates

Source: Foreign Agricultural Service, Official USDA Estimates

Table 5. Livestock Inventories, All Types of Farms, Million Head

	2005	2006	2007	2008	2009	2010	2011	2012	End of June		13 /12 %
									2012	2013	
Cattle	21.6	21.6	21.5	21.0	20.7	20.0	20.1	20.0	21.4	21.0	98.2
Including cows	9.5	9.4	9.3	9.1	9.0	8.8	9.0	8.9	9.1	9.0	98.3
Pigs	13.8	16.2	16.3	16.2	17.2	17.2	17.3	18.8	19.3	20.5	106.5
Including in agricultural establishments	7.3	8.4	8.7	9.2	10.6		11.4	13.7	13.4	15.3	119.6

Source: National Report - "The Progress and Results of Implementation in 2012 of the State Program of Development of Agriculture and Regulation of Markets of Agricultural Products, Raw Material and Food for 2008-2012" (hereinafter, the 2012 National Report)

Table 6. Meat and Poultry Balance and Utilization in Russia, 1990-2013, 1,000 MT, Carcass Weight

	1990	1997	2009	2010	2011	2012	2013 (estimate)	Difference between 2011/2012	Difference between 1990/2012
Production (Rosstat data)									
Total	10112	4854	6719,8	7166,8	7519,5	8066	8391	546,5	-2046,0
beef	4329	2395	1740,6	1727,3	1625,5	1664	1684	38,5	-2665,0
pork	3480	1545,5	2169,5	2330,8	2427,6	2590	2743	162,4	-890,0
poultry	1801	630	2555,1	2846,8	3204,2	3550	3700	345,8	1749,0
other	502	283,5	254,6	261,9	262,2	262	264	-0,2	-240,0
Imports (including imports from Belarus) (FCS data)									
Total	1535	3015	2919	2642	2687	2735	2568	48,0	1200,0

beef	650	700	761	760	726	730	785	4,0	80,0
pork	409	414	667	681	703	780	693	77,0	371,0
poultry	44	1147	986	688	493	560	434	67,0	516,0
other	432	754	505	513	765	665	656	-100,0	233,0
Meat supply									
Total	11647	7869	9638,8	9808,8	10206,5	10801	10959	594,5	-846,0
beef	4979	3095	2501,6	2487,3	2351,5	2394	2469	42,5	-2585,0
pork	3889	1959,5	2836,5	3011,8	3130,6	3370	3436	239,4	-519,0
poultry	1845	1777	3541,1	3534,8	3697,2	4110	4134	412,8	2265,0
other	934	1037,5	759,6	774,9	1027,2	927	920	-100,2	-7,0
Domestic market share, as a percentage	87	62	70	73	74	75	77	1,0	-12,1
beef	87	77	70	69	69	70	68	0,4	-17,4
pork	89	79	76	77	78	77	80	-0,7	-12,6
poultry	98	35	72	81	87	86	90	-0,3	-11,2
other	54	27	34	34	26	28	29	2,7	-25,5

Source: Russian Union of Swine Producers

Table 7. Estimated Funding for the 2013-2015 Pork Program, Million, RUR

	2013 г.	2013	2015
TOTAL	58507,65	65225,91	69917,33
From the company resources	10264,5	11443,14	12266,2
Investment credits	41058	45772,57	49064,79
From the Federal Budget	5748,12	6408,16	6869,07
From Regional Budgets	1437,03	1602,04	1717,27

Source: 2013-2015 Pork Program

Table 8. Russia: Meat and Poultry Production, 1,000 MT, Carcass Weight

	Beef	Pork	Sheep and Goat Meat	Poultry
1992	3,632	2,784	329	1,428
1995	2,734	1,865	261	859
2000	1,898	1,578	140	768
2005	1,809	1,569	154	1,388
2006	1,722	1,699	156	1,632
2007	1,699	1,930	168	1,925
2008	1,769	2,042	174	2,217
2009	1,741	2,170	183	2,555
2010	1,707	2,301/	188	2,824
2011	1,626	2,428	189	3,204
2012 (Est)	1,647	2,512	190	3,587

Source: Rosstat

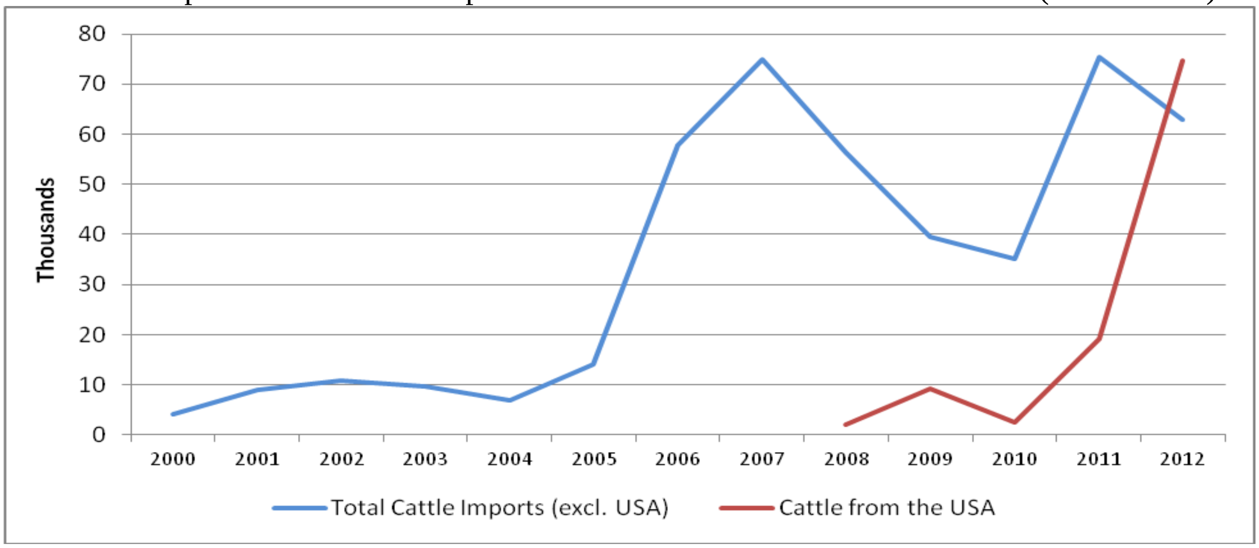
Table 9. Economic Efficiency of Meat and Poultry Production. 2007-2012

Indicators	2007	2008	2009	2010	2011	2012	% Diff. 2007/2012
Beef							
Production cost of marketed product, including primary processing, RUR/kg	52.6	62.1	54.1	79.7	90.7	96.5	183.4
Farm gate price, RUR/kg	40.5	45.8	41.5	56.7	68.6	77.3	190.9
Profitability of marketed product, as a percent	-23.1	-26.2	-23.3	-28.9	-24.4	-19.9	3.2
Pork							
Production cost of marketed product, including primary processing, RUR/kg	48.7	57.4	57.3	57.9	63.7	64.8	137.3
Farm gate price, RUR/kg	49.8	63.5	71.0	70.7	78.3	83.7	168.1
Profitability of marketed product, as a percent	2.4	10.6	24.0	22.0	22.8	29.1	26.7
All types of poultry							
Processer’s poultry production cost, RUR/kg	39.5	47.0	47.7	49.1	52.7	55.4	140.1
Processer’s gate price, RUR/kg	44.5	50.2	56.0	55.0	58.0	63.0	141.5
Profitability of marketed product, as a percent	12.5	6.8	17.5	12.2	10.2	13.7	1.2

Source: 2012 National Report

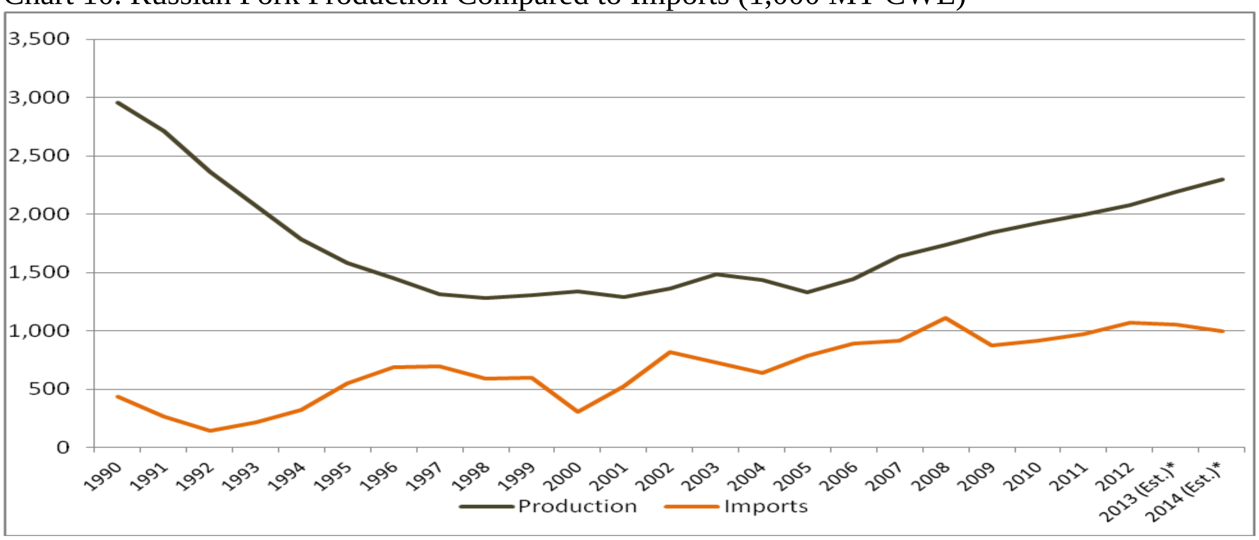
Trade Charts and Tables

Chart 9. Comparison of Russian Imports of U.S. Cattle to the Rest of the World (No. of Head)



Source: Global Trade Atlas

Chart 10. Russian Pork Production Compared to Imports (1,000 MT CWE)



Source: Foreign Agricultural Service, Official USDA Estimates

Table 10. Belarusian Beef, Pork and Live Swine Exports to Russia

HSC	Product	MT	Jan-May2013/2012
0201	Fresh Beef	40,030	21.6
0202	Frozen Beef	21,864	93.9
	Total	61,894	
0203	Pork	22,049	-0.8
0103	Live swine	34 825,0	-18

Source: Department of the Customs Union Statistics

Table 11. Russian Imports of Live Bovine, Calendar Year: 2008 - 2012, Year To Date: 06/2012 & 06/2013, Quantity, Head

Partner Country	Calendar Year					Year To Date		
	2008	2009	2010	2011	2012	06/2012	06/2013	%Change
World	58352	48732	37725	94468	137613	65727	48674	- 25.95
United States	1936	9109	2487	19092	74734	37316	24410	- 34.59
Australia	14867	9643	10311	31979	36645	18663	16466	- 11.77
EU-27	27827	25293	22121	36140	24372	8468	6888	- 18.66
Denmark	*0*	*0*	*0*	*3128*	*10811*	*3268*	*3462*	*5.94*
Hungary	*4540*	*7126*	*6300*	*2288*	*3874*	*2168*	*2334*	*7.66*

*Excludes Data for Belarus
Source: GTIS

Table 12. Russian Imports, Live Swine, Calendar Year: 2008 - 2012, Year To Date: 06/2012 & 06/2013, Quantity, Head

Partner Country	Calendar Year					Year To Date		
	2008	2009	2010	2011	2012	06/2012	06/2013	%Change
World	770454	1201845	728267	669177	231342	180310	16300	- 90.96
EU-27	767003	1196179	721969	663552	226593	177672	13726	- 92.27
Denmark	*35318*	*27999*	*18497*	*73039*	*77739*	*33685*	*12602*	*- 62.59*
Estonia	*61365*	*152450*	*155432*	*231925*	*53120*	*53120*	*0*	*- 100.00*
Latvia	*31597*	*82585*	*112239*	*141844*	*45894*	*45894*	*0*	*- 100.00*
Germany	*180868*	*244192*	*121841*	*59569*	*26728*	*26728*	*0*	*- 100.00*
Canada	3451	5666	6298	4509	3507	2638	2396	- 9.17
United States	0	0	0	1116	1242	0	178	n/a

*Excludes Data for Belarus
Source: GTIS

Table 13. Russian Imports, Live Swine, Calendar Year: 2008 - 2012, Year To Date: 06/2012 & 06/2013, Quantity, Head

Commodity	**Description**	**Calendar Year**					**Year To Date**		
		2008	**2009**	**2010**	**2011**	**2012**	**06/2012**	**06/2013**	**% Change**
0103	Swine, Live	770454	1201845	728267	669177	231342	180310	16300	- 90.96
010392	Swine, Live, Nesoi, Weighing 50 Kg Or More Each	621345	1043191	649810	533805	145682	120397	9057	- 92.48
010391	Swine, Live, Nesoi, Weighing	116797	146077	54678	101258	48878	38870	661	- 98.30

	Less Than 50 Kg Each								
010310	Swine, Live, Purebred Breeding Animals	32312	12577	23779	34114	36782	21043	6582	- 68.72

Source: Customs Committee of Russia

Table 14. Russia Imports of Beef, Annual Series: 2008 - 2012, Year To Date: 06/2012 & 06/2013, MT

	2008	**2009**	**2010**	**2011**	**2012**	**06/2012**	**06/2013**	**%Change**
World	811909	639462	626767	605025	626246	294161	249268	- 15.26
Brazil	404001	322969	282184	224160	248906	120534	134900	11.92
Paraguay	83280	46663	64089	50478	119470	45061	58052	28.83
Uruguay	88908	66199	78926	77528	65870	35254	19953	- 43.40
United States	18780	3183	22311	39215	46292	22090	41	- 99.81
EU-27	52774	19266	78717	80741	52313	21773	13354	- 38.67
Australia	*69056*	*16224*	*41167*	*65251*	*34128*	*16857*	*8285*	*- 50.85*
Poland	*5243*	*919*	*8096*	*7633*	*12318*	*5409*	*3474*	*- 35.78*
Ukraine	16711	18823	12847	12367	14170	6502	6630	1.96
Lithuania	11301	7285	10290	14992	13172	5531	4673	- 15.51
Argentina	69384	136991	33933	14899	8933	5341	5145	- 3.66
Moldova	91	63	1530	3514	3151	1259	1247	- 0.93
New Zealand	3684	394	1041	2133	2963	2095	995	- 52.48

*Excludes Data for Belarus

Source: GTIS

Table 15. Russia Imports of Beef, Annual Series: 2008 - 2012, Year To Date: 06/2012 & 06/2013, MT

Commodity	Description	Calendar Year					Year To Date		
		2008	2009	2010	2011	2012	06/2012	06/2013	% Change
BEEF	_PSD BEEF	811909	639462	626767	605025	626246	294161	249268	- 15.26
0202	Beef Frozen	791159	624077	606083	566545	584615	275506	230967	- 16.17
0201	Beef, Fresh Or Chilled	19571	11765	19748	35732	41165	18463	18112	- 1.90
160250	Prepared Or Preserved Beef, Etc. Nesoi	1172	3617	935	2748	461	191	186	- 2.53
021020	Beef, Salted, In Brine, Dried,	8	3	1	0	5	1	2	90.56

	Smoked								

Source of Data: Customs Committee of Russia

Table 16. Russian Imports of Pork, Annual Series: 2008 - 2012, Year To Date: 06/2012 & 06/2013, MT

Partner Country	Calendar Year					Year To Date		
	2008	2009	2010	2011	2012	06/2012	06/2013	%Change
World	810262	649791	656974	681591	743579	331682	275512	- 16.93
EU-27	302236	247716	303686	356609	309151	155396	162753	4.73
Denmark	*69037*	*65368*	*72711*	*80395*	*60694*	*31283*	*35381*	*13.10*
Germany	*69431*	*84552*	*112617*	*110895*	*87843*	*42252*	*34944*	*- 17.30*
Spain	*42243*	*33184*	*37395*	*61458*	*67580*	*40203*	*34594*	*- 13.95*
France	*36174*	*27016*	*32527*	*34615*	*22960*	*11553*	*9015*	*- 21.97*
Brazil	238740	249715	223926	133050	122313	46410	58594	26.25
Canada	102762	41962	67122	112017	179615	75791	37777	- 50.16
United States	159417	107676	59405	58016	87942	35801	5828	- 83.72
Ukraine	0	0	471	12708	21130	10682	1890	- 82.30
Chile	5607	2027	1600	5284	18544	6865	7697	12.12

*Excludes Data for Belarus

Source: GTIS

Table 17. Russia Import Statistics from World, Commodity: Pork, Annual Series: 2008 - 2012, Year to Date: 06/2012 & 06/2013, MT

Commodity	Description	Calendar Year					Year To Date		
		2008	2009	2010	2011	2012	06/2012	06/2013	% Change
	PORK	810262	649791	656974	681591	743579	331682	275512	- 16.93
020329	Pork, Frozen	581609	481801	494793	516303	576536	261216	229780	- 12.03
020322	Pork, Hams, Shoulders Etc, Bone In, Frozen	94529	67196	64923	72639	68107	26806	17363	- 35.23
020321	Carcasses And Half-Carcasses Of Swine, Frozen	89714	68722	56459	39954	40361	17169	5779	- 66.34
020319	Pork, Fresh Or Chilled	18765	14060	20178	26028	32124	12958	13801	6.51
160249	Prepared Etc. Pork, Offal, Etc.	12654	10225	10938	16636	16167	7465	6705	- 10.18
020311	Carcasses & Half-Carcasses	6337	3718	4271	1661	3077	1587	141	- 91.11

	Of Pork Swine Fresh, Chilled								
021019	Pork, Salted, In Brine, Dried, Smkd	111	154	1856	3873	2342	2059	247	- 88.00

Source of Data: Customs Committee of Russia

NOTE: USD $1 = 32.4 RUR, on average, during 2012.